

98th CONGRESS
1st Session

S. _____

IN THE SENATE OF THE UNITED STATES

Mr. Stevens introduced the following bill; which was read twice
and referred to the Committee on _____

A BILL

To provide temporary adjustments in the requirements relating to
contributions to, and credit for the purposes of, certain
Government retirement systems with respect to certain service
performed by certain Federal officers and employees, and for
other purposes.

1 Be it enacted by the Senate and House of Representatives
2 of the United States of America in Congress assembled, That
3 this Act may be cited as the ``Federal Employees' Retirement
4 Contribution Temporary Adjustment Act of 1983``.

5 STATEMENT OF POLICY

6 Sec. 2. It is the policy of the Government--

7 (1) that the amount required to be contributed by
8 employees and officers of the Government who are also
9 required to pay employment taxes relating to benefits
10 under title II of the Social Security Act for service
11 performed after December 31, 1983, be modified until the
12 date on which such employees and officers are covered by
13 a new Government retirement system (the design,
14 structure, and provisions of which have not been
15 determined on the date of enactment of this Act) or
16 January 1, 1986, whichever is earlier;

17 (2) that the Treasury be required to pay into such
18 retirement systems the remainder of the amount such

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employees and officers would have contributed during such period but for the temporary modification;

(3) that the employing agencies make contributions to the retirement systems with respect to such service in amounts required by law in effect before January 1, 1984, without reduction in such amounts;

(4) that such employees and officers accrue credit for service for the purposes of the public retirement systems in effect on the date of enactment of this Act until a new Government retirement system covering such employees and officers is established;

(5) that any annuity payable under any present public retirement system based in any part on service which is performed after December 31, 1983, and before January 1, 1986, and for which employment taxes relating to benefits under title II of the Social Security Act are paid be offset by the amount of any benefits payable under such title with respect to such service;

(6) that such employees and officers who are first employed in civilian service by the Government or first take office in civilian service in the Government on or after January 1, 1984, be transferred to such new Government retirement system as may be established for employees and officers of the Government on or after January 1, 1984, and before January 1, 1986; and

(7) that credit for service performed after December 31, 1983, by such employees and officials be transferred to such new Government retirement system.

DEFINITIONS

Sec. 3. (a) For the purposes of this Act--

(1) the term "covered employee" means any individual whose service is covered service;

(2) the term "covered retirement system" means--

(A) the Civil Service Retirement and Disability

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1 System under subchapter III of chapter 33 of title 5,
2 United States Code;

3 (B) the Foreign Service Retirement and Disability
4 System under chapter 8 of the Foreign Service Act of
5 1980 (22 U.S.C. 4041 et seq.);

6 (C) the Central Intelligence Agency Retirement
7 and Disability System under the Central Intelligence
8 Agency Retirement Act of 1964 for Certain Employees
9 (50 U.S.C. 403 note); and

10 (D) any other retirement system (other than a new
11 Government retirement system) under which a covered
12 employee who is a participant in the system is
13 required to make contributions to the system in an
14 amount equal to a portion of the participant's basic
15 pay for covered service, as determined by the
16 President;

17 (3) the term "covered service" means service which
18 is employment for the purposes of title II of the Social
19 Security Act and chapter 21 of the Internal Revenue Code
20 of 1954 by reason of the amendments made by section 101
21 of the Social Security Amendments of 1983 (97 Stat. 67);
22 and

23 (4) the term "new Government retirement system"
24 means any retirement system which (A) is established for
25 officers or employees of the Government by or pursuant to
26 a law enacted after December 31, 1983, and before January
27 1, 1986, and (B) takes effect on or before January 1,
28 1986.

29 (b) The President shall publish the determinations made
30 for the purpose of subsection (a) (2) (D) in an Executive
31 order.

32 CONTRIBUTION ADJUSTMENTS

33 Sec. 4. (a) An employing agency shall deduct and withhold
34 only 1.3 percent of the basic pay of a covered employee

1 under--

2 (1) section 8334 of title 5, United States Code;

3 (2) section 805 of the Foreign Service Act of 1980

4 (22 U.S.C. 4045);

5 (3) section 211 of the Central Intelligence Agency

6 Retirement Act of 1964 for Certain Employees (50 U.S.C.

7 403 note); or

8 (4) any provision of any other covered retirement

9 system which requires a participant in the system to make

10 contributions of a portion of the basic pay of the

11 participant,

12 for covered service which is performed after December 31,

13 1983, and before January 1, 1986. Deductions shall be made

14 and withheld as provided by such provisions in the case of

15 covered service which is performed on or after January 1,

16 1986, and is not subject to a new Government retirement

17 system.

18 (b) Employing agencies of the Government shall make

19 contributions with respect to service to which subsection (a)

20 of this section applies under the second sentence of section

21 8334 (a) (1) of title 5, United States Code, the second

22 sentence of section 805 (a) of the Foreign Service Act of

23 1980 (22 U.S.C. 4045(a)), the second sentence of section 211

24 (a) of the Central Intelligence Agency Retirement Act of 1964

25 for Certain Employees (50 U.S.C. 403 note), and any provision

26 of any other covered retirement system requiring a

27 contribution by the employing agency, as if subsection (a) of

28 this section had not been enacted.

29 AMORTIZATION OF CONTRIBUTION DEFICIENCY

30 Sec. 5. (a) For the purposes of this section, the term

31 "contribution deficiency", when used with respect to a

32 covered retirement system, means--

33 (1) the excess of the total amount which, but for

34 section 4 (a), would have been deducted and withheld

under a provision referred to in section 4 (a) from the basic pay of covered employees who are subject to such retirement system for service to which section 4 (a) applies, over

(2) the total amount deducted and withheld from the basic pay of covered employees for such service as provided in section 4 (a).

(b) At the end of each of fiscal years 1984, 1985, and 1986, the Office of Personnel Management--

(1) shall determine the amount of the contribution deficiency incurred during such fiscal year in the case of each covered retirement system; and

(2) shall notify the Secretary of the Treasury of the amount of the contribution deficiency in each such case.

(c) An amount equal to the amount of the contribution deficiency incurred with respect to a covered retirement system in any fiscal year shall be credited to the fund established for the payment of benefits under such covered retirement system in thirty equal annual installments beginning at the end of such fiscal year, as provided in subsection (d).

(d) Before closing the accounts for each of fiscal years 1984 through 2015, the Secretary of the Treasury shall credit to each fund to which subsection (c) applies, as a Government contribution, out of any money in the Treasury not otherwise appropriated, an amount equal to the total of the amounts of the annual installments of the contribution deficiencies required by subsection (c) to be credited to such fund in such fiscal year.

(e) Amounts credited to a fund pursuant to subsection (c) shall be accounted for separately from amounts credited to such fund pursuant to any other provision of law.

OFFSET OF SOCIAL SECURITY BENEFITS

Sec. 6. (a) (1) Section 8339 of title 5, United States

1 code, is amended by adding at the end thereof the following
2 new subsection:

3 “(o) (1) Any annuity of a retired employee which is
4 computed under subsection (a), (b), (c), (d), (e), (g), or
5 (n) of this section and is based, in any part, on service to
6 which section 4 (a) of the Federal Employees’ Retirement
7 Contribution Temporary Adjustment Act of 1983 applies shall
8 be reduced by the portion of the amount of any benefits which
9 is payable under title II of the Social Security Act to such
10 retired employee and is attributable to such service.

11 “(2) For the purpose of paragraph (1) of this
12 subsection, the portion of the amount of the benefits which
13 is payable under title II of the Social Security Act to an
14 individual and is attributable to service to which section 4
15 (a) of the Federal Employees’ Retirement Contribution
16 Temporary Adjustment Act of 1983 applies shall be determined
17 by--

18 “(A) computing the amount of such benefits including
19 credit for such service;

20 “(B) computing the amount of such benefits, if any,
21 without including credit for such service; and

22 “(C) subtracting the amount computed under clause
23 (B) of this paragraph from the amount computed under
24 clause (A) of this paragraph.”.

25 (2) Section 8341 of title 5, United States Code, is
26 amended by adding at the end thereof the following new
27 subsection.

28 “(h) The annuity of any individual which is provided by
29 and computed under this section and is based, in any part, on
30 service to which section 4 (a) of the Federal Employees’
31 Retirement Contribution Temporary Adjustment Act of 1983
32 applies shall be reduced by the portion of the amount of any
33 benefits which is payable under title II of the Social
34 Security Act to such individual and is attributable to such

1 service, computed as provided in section 8339 (c) (2) of this
2 title.''.
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4 (b) (1) Section 826 of the Foreign Service Act of 1980
5 (22 U.S.C. 4046) is amended by adding at the end thereof the
6 following new subsection:

7 ''(m) (1) The annuity of any individual which is computed
8 under this section and is based, in any part, on service to
9 which section 4 (a) of the Federal Employees' Retirement
10 Contribution Temporary Adjustment Act of 1983 applies shall
11 be reduced by the portion of the amount of any benefits which
12 is payable under title II of the Social Security Act to such
13 individual and is attributable to such service. The reduction
14 under this subsection shall be calculated before any
15 reduction under section 814 (a) (5).

16 ''(2) For the purpose of paragraph (1), the portion of
17 the amount of the benefits which is payable under title II of
18 the Social Security Act to an individual and is attributable
19 to service to which section 4 (a) of the Federal Employees'
20 Retirement Contribution Temporary Adjustment Act of 1983
21 applies shall be determined by--

22 ''(A) computing the amount of such benefits including
23 credit for such service;

24 ''(B) computing the amount of such benefits, if any,
25 without including credit for such service; and

26 ''(C) subtracting the amount computed under clause
27 (B) from the amount computed under clause (A).''.

28 (2) Section 814 of such Act is amended by adding at the
29 end thereof the following new subsection:

30 ''(e) The annuity of a former spouse which is computed
31 under this section and is based, in any part, on service to
32 which section 4 (a) of the Federal Employees' Retirement
33 Contribution Temporary Adjustment Act of 1983 applies shall
34 be reduced by the portion of the amount of any benefits which
is payable under title II of the Social Security Act to such

1 former spouse and is attributable to such service, computed
2 as provided in section 806 (m) (2).''.

3 (c) Part C of the Central Intelligence Agency Retirement
4 Act of 1964 for Certain Employees (50 U.S.C. 423 note) is
5 amended by adding at the end thereof the following new
6 subsection:

7 ''Sec. 223. (a) The annuity of any individual which is
8 computed under this part and is based, in any part, on
9 service to which section 4 (a) of the Federal Employees'
10 Retirement Contribution Temporary Adjustment Act of 1983
11 applies shall be reduced by the portion of the amount of any
12 benefits which is payable under title II of the Social
13 Security Act to such individual and is attributable to such
14 service. In the case of an annuity computed under section
15 221, the reduction under this subsection shall be calculated
16 before any reduction under section 222 (a) (4).

17 ''(b) For the purpose of subsection (a), the portion of
18 the amount of the benefits which is payable under title II of
19 the Social Security Act to an individual and is attributable
20 to service to which section 4 (a) of the Federal Employees'
21 Retirement Contribution Temporary Adjustment Act of 1983
22 applies shall be determined by--

23 ''(1) computing the amount of such benefits including
24 credit for such service;

25 ''(2) computing the amount of such benefits, if any,
26 without including credit for such service; and

27 ''(3) subtracting the amount computed under clause
28 (2) from the amount computed under clause (1).''.

29 (d) (1) Notwithstanding any other provision of law, for
30 the purposes of any covered retirement system to which an
31 amendment made by subsection (a), (b), or (c) does not apply,
32 the annuity of any individual which is computed under such
33 system and is based, in any part, on service to which section
34 4 (a) of the Federal Employees' Retirement Contribution

1 Temporary Adjustment Act of 1983 applies shall be reduced by
2 the portion of the amount of any benefits which is payable
3 under title II of the Social Security Act to such individual
4 and is attributable to such service. In the case of an
5 annuity of a participant or former participant, of a
6 surviving spouse or child of a participant or former
7 participant, or of any other person designated by a
8 participant or former participant to receive an annuity under
9 the covered retirement system (other than a former spouse)
10 the reduction under this subsection shall be calculated
11 before any reduction in such annuity provided under such
12 system for the purpose of paying an annuity under such system
13 to any former spouse of the participant or former participant
14 based on the service of such participant or former
15 participant.

16 (2) For the purpose of paragraph (1), the portion of the
17 amount of the benefits which is payable under title II of the
18 Social Security Act to an individual and is attributable to
19 service to which section 4 (a) of the Federal Employees'
20 Retirement Contribution Temporary Adjustment Act of 1983
21 applies shall be determined by--

22 (A) computing the amount of such benefits including
23 credit for such service;

24 (B) computing the amount of such benefits, if any,
25 without including credit for such service; and

26 (C) subtracting the amount computed under clause (B)
27 from the amount computed under clause (A).

28 TRANSFER OF CREDIT TO NEW RETIREMENT SYSTEM

29 Sec. 7. (a) Any covered employee who first becomes
30 employed in civilian service by the Government or first takes
31 office in civilian service in the Government on or after
32 January 1, 1984, shall be transferred to such new Government
33 retirement system as may be established.

34 (b) In the case of any covered employee who is subject to

1 a covered retirement system on or after January 1, 1984, and
2 thereafter becomes subject to a new Government retirement
3 system--

4 (1) credit for the service of such employee to which
5 section 4 (a) applies shall be transferred from such
6 covered retirement system to the new Government
7 retirement system for the purposes of the new Government
8 retirement system; and

9 (2) such service shall be considered not to be
10 creditable service for the purposes of such covered
11 retirement system,
12 effective on the date on which such employee becomes subject
13 to such new Government retirement system.

14 DEPOSIT REQUIREMENTS

15 Sec. 8. (a) (1) (A) Notwithstanding any other provision
16 of law, the covered service of any covered employee who is
17 employed by the Government on December 31, 1983, and retires
18 (other than by reason of a disability) entitled to an annuity
19 under a covered retirement system after such date and before
20 the earlier of the date on which a new Government retirement
21 system takes effect or January 1, 1986, shall be considered
22 in computing the amount of such annuity only if such covered
23 employee makes a deposit for such covered service as provided
24 in subparagraph (B).

25 (B) For the purposes of subparagraph (A), a covered
26 employee to whom such subparagraph applies shall make a
27 deposit (for the covered service to which such subparagraph
28 applies) to the credit of the applicable covered retirement
29 system in an amount equal to the excess of the amount
30 required by law (without regard to section 4 (a)) over the
31 amount which was deducted and withheld from the basic pay of
32 such covered employee for such service pursuant to section 4
33 (a) and was not refunded to such covered employee.

34 (2) Paragraph (1) does not require a deposit to the.

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1 credit of a covered retirement system for the purpose of
2 considering covered service in computing the amount of a
3 survivor annuity under such system in the case of a covered
4 employee who dies during a period of continuous service in
5 the employment of the Government beginning on or before
6 December 31, 1983

7 (b) If a new Government retirement system is not
8 established or does not take effect on or before January 1,
9 1986, the covered service of a covered employee shall be
10 considered, notwithstanding any other provision of law, in
11 determining entitlement to and computing the amount of an
12 annuity under a covered retirement system based on the
13 service of such covered employee only if such covered
14 employee deposits to the credit of such covered retirement
15 system an amount equal to the excess of--

16 (1) the total amount which would have been deducted
17 and withheld from the basic pay of such covered employee
18 for such covered service under such covered retirement
19 system but for the application of section 4 (a), over

20 (2) the amount which was deducted and withheld from
21 such basic pay for such covered service pursuant to
22 section 4 (a) and was not refunded to such covered
23 employee.